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**Insurance Committee Public Hearing
Tuesday, February 10, 2009**

**Connecticut Association of Health Plans
Testimony in Opposition to**

HB 6355 AA Requiring Pure Community Rating for Health Insurance for Small Employers.

SB 822 AA Prohibiting Gender Discrimination for Individual Health Insurance Policies.

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of HB 6355 and SB 822.

Both bills under consideration propose to change the underlying criteria that health plans may use in underwriting various policies the result of which if passed will be higher premiums and fewer insured members.

Take for example, the young adult population. Historically young adults are among those most prone to being uninsured. By removing age as a factor of consideration in underwriting and in effect blending the rate more broadly, premium rates will rise and more individuals in their 20's and 30's will make the decision not to purchase health insurance.

In recent years, the State of New York implemented community rating which created significant turbulence in the market with no new increase in the insured population as a result. New Jersey experienced similar results when it looked at modifying its small group market and reversed its original decision.

In general, when there are multiple classes of risk and they have to pay the same level of premium, the lower risk people drop coverage and the higher risk stay in. As such, the uniform rate will steadily migrate towards the level of the higher risk class.

If the legislature were to adopt an individual mandate, the impact of this legislation would be significantly reduced because the younger and/or healthier population would remain in the pool.

Connecticut currently has one of the healthiest small group markets in the nation, with strong competition among carriers that drives down costs. It's a model that other states look to replicate. We would strongly caution the Committee against moving in the direction of HB 6355 in that it erodes the positive reforms that Connecticut has already put in place.

Thank you for your consideration.